

BRIDGES OF WILLIAMSON COUNTY

JUNE 30, 2013 and 2012

Report

of

Examination

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

January 27, 2014

Board of Directors
BRIDGES of Williamson County
Franklin, Tennessee

We have audited the accompanying financial statements of BRIDGES of Williamson County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridges of Williamson County as of June 30, 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Parsons and Associates

Parsons and Associates

BRIDGES of Williamson County
Statement of Financial Position
June 30

ASSETS

	<u>2013</u>	<u>2012</u>
<u>Current Assets</u>		
Cash	\$ 188,033	\$ 121,952
Prepaid expenses	7,767	3,838
Grants receivable	8,835	7,537
<u>Total Current Assets</u>	<u>204,635</u>	<u>133,327</u>
<u>Property and Equipment (at cost)</u>		
Property and equipment (net of depreciation)	813,588	834,435
<u>Total Assets</u>	<u>1,018,223</u>	<u>967,762</u>

LIABILITIES

<u>Current Liabilities</u>		
Accounts payable	235	1,040
Payroll liabilities	0	313
Deferred revenue	10,000	21,245
<u>Total Current Liabilities</u>	<u>10,235</u>	<u>22,598</u>
<u>Long-Term Obligations (due beyond one year)</u>		
Mortgage - building	6,275	26,275
<u>Total Liabilities</u>	<u>16,510</u>	<u>48,873</u>

NET ASSETS

Unrestricted Net Assets	919,448	918,889
Temporary Restricted Net Assets	82,265	0
<u>Total Liabilities and Net Assets</u>	<u>\$ 1,018,223</u>	<u>\$ 967,762</u>

See accompanying notes and accountant's report.

BRIDGES of Williamson County
Statement of Activities
Year Ended June 30

	<u>2013</u>		<u>2012</u>
	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Unrestricted</u>
<u>Support and Other Revenues</u>			
Contributions	\$ 369,190	\$ 82,265	\$ 400,797
Government grants	116,984		123,008
Fund raiser	111,247		108,311
In-kind contributions	30,500		16,300
Interest income	72		75
Other	0		136
<u>Total Support and Other Revenues</u>	<u>627,993</u>	<u>82,265</u>	<u>648,627</u>
<u>Expenses</u>			
Program services	527,683		492,885
Management and general	66,979		67,705
Fundraising	32,772		33,989
<u>Total Expenses</u>	<u>627,434</u>	<u>0</u>	<u>594,579</u>
<u>Change in Net Assets</u>	559	82,265	54,048
Net Assets - July 1	<u>918,889</u>	<u>0</u>	<u>864,841</u>
Net Assets - June 30	\$ <u>919,448</u>	\$ <u>82,265</u>	\$ <u>918,889</u>

See accompanying notes and accountant's report.

BRIDGES of Williamson County
Statement of Cash Flows
Year Ended June 30

	<u>2013</u>	<u>2012</u>
<u>Cash flows from operating activities</u>		
Contributions	\$ 451,457	\$ 413,367
Grants and reimbursements	115,685	125,083
Fund raiser	100,003	107,295
Interest income	72	75
Other receipts	0	136
Cash paid for expenses	(155,185)	(143,431)
Cash paid for payroll and benefits	(418,635)	(403,202)
Net cash provided by operating activities	<u>93,397</u>	<u>99,323</u>
<u>Cash flows from investing activities</u>		
Purchase of fixed assets	(7,316)	(37,904)
<u>Cash flows from financing activities</u>		
Loan payments	(20,000)	<u>0</u>
Increase (decrease) in cash	66,081	61,419
Cash - July 1	121,952	60,533
Cash - June 30	\$ <u>188,033</u>	\$ <u>121,952</u>

See accompanying notes and accountant's report.

BRIDGES of Williamson County
Notes to Financial Statements
June 30, 2013 and 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

BRIDGES of Williamson County was incorporated October 1998, in accordance with the Tennessee General Corporation Act. Its primary purpose is to serve area women, men and children affected by domestic violence ensuring a safe transition to successful independent community living through education, intervention, and case management.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-For Profit Organizations. Under SFAS No. 117, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The organization had no temporarily restricted net assets of \$82,265 at June 30, 2013 and \$0 at June 30, 2012.

Permanently Restricted Net Assets

Net assets subject to imposed stipulations that they be maintained permanently by the Organization. Generally, these assets permit the use of all or part of the income earned on any related investments for general or specific purposes. The Organization had no permanently restricted net assets at June 30, 2013 and 2012.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of thirteen months or less to be cash equivalents.

BRIDGES of Williamson County
Notes to Financial Statements
June 30, 2013 and 2012

Income Tax Status

BRIDGES of Williamson County qualifies as a tax exempt organization under Internal Revenue Code Section 501(c)(3) and, therefore, has no provisions for federal income taxes. In addition, the Organization has been classified as an organization other than a private foundation under Section 509(a)(1).

Concentration of Contribution

The Organization received approximately 19% of its cash contributions from various local governments in 2013 and 19% in 2012.

Deferred Revenue

Income from fundraising events is deferred and recognized in the period in which it relates. The Organization allocates certain annual grants on a yearly basis, deferring the revenue for months after June.

NOTE 2 - DONATED SERVICES

Donated services are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provide services throughout the year that are not recognized as contributions in the financial statements since the criteria for SFAS No. 116 are not met.

NOTE 3 - DONATED SUPPLIES AND EQUIPMENT

Donations of supplies and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets at that time.

BRIDGES of Williamson County
Notes to Financial Statements
June 30, 2013 and 2012

NOTE 4 - PROPERTY AND EQUIPMENT

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at the appropriate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

	2013	2012
Building and improvements	\$ 975,518	\$ 975,518
Equipment and furniture	74,099	74,099
Accumulated depreciation	(246,344)	(215,182)
	\$ <u>813,588</u>	\$ <u>834,435</u>

NOTE 5 - ESTIMATES

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

NOTE 6 - DEBT

The Organization has an interest only note that is payable to an individual on an annual basis. The note is secured by a lien of deed of trust with an interest rate which is adjustable annually on the anniversary date of the obligation with a current interest rate of 4.75%. The principal balance is payable in full on August 18, 2019 with no prepayment penalties after the first year.

Mortgage payable - June 30, 2013	\$ 6,275
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NOTE 7 - INCOME TAX

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2013 and 2012.

The Organization files its forms 990 in the U.S. federal jurisdiction and the office of the Tennessee Secretary of State. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2010

BRIDGES of Williamson County
Schedule of Functional Expenses
Year Ended June 30

	2013				2012			
	Program Services	Management and General	Fund- raising	Total	Program Services	Management and General	Fund- raising	Total
Program services	\$ 52,619	\$	\$	\$ 52,619	\$ 34,784	\$	\$	\$ 34,784
Insurance	20,226	2,247		22,473	16,839	1,871		18,710
Fund raiser expenses			28,589	28,589			29,960	29,960
Occupancy expense	5,294			5,294	4,961			4,961
Interest	443			443	1,196			1,196
Small equipment purchases		510		510		2,220		2,220
Maintenance and repairs	8,832	465		9,297	8,805	304		9,109
Office expense and supplies	4,808	2,368		7,176	3,192	1,572		4,764
Publications and printing		3,192		3,192		4,974		4,974
Mileage, parking, travel	2,093	2,092		4,185	2,243	2,243		4,486
Telephone, utilities	29,522	7,381		36,903	30,344	7,586		37,930
Conferences and meetings	630	1,470		2,100	625	1,437		2,062
Payroll and benefits	372,307	41,832	4,183	418,322	358,583	40,290	4,029	402,902
Professional fees		2,150		2,150		1,900		1,900
Dues and subscriptions	494	2,107		2,601	500	2,113		2,613
Other		418		418		438		438
Depreciation	30,415	747		31,162	30,813	757		31,570
<u>Total</u>	<u>\$ 527,683</u>	<u>\$ 66,979</u>	<u>\$ 32,772</u>	<u>\$ 627,434</u>	<u>\$ 492,885</u>	<u>\$ 67,705</u>	<u>\$ 33,989</u>	<u>\$ 594,579</u>

See accompanying notes and accountant's report.